



This letter is an appeal in response to the Notification of Commitment Adjustment Letter received on 2/22/2013. Please direct any correspondence regarding this appeal to:

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The Notification of Commitment Adjustment Letter references the following FRN(s):

FRN: 2011594, 2011598, 2158973
Billed Entity Name: BNOS ORCHOS CHAIM
Form 471 Application Number: 745273, 797655
Billed Entity Number: 16050056
FCC Registration Number: n/a

The Funding Commitment Adjustment Explanation states:

FRN 2011594, 2158973: "During a review, it was determined that funding was provided for the following ineligible items: Maintenance for a Bogen Expansion PBX unit that is functioning as a redundant PBX system."

FRN 2011598: "During a review, it was determined that funding was provided for the following ineligible items: Bogen Expansion PBX unit that is functioning as a redundant PBX system."

The reason for the adjustment to all of the FRNs is the same. USAC determined the Bogen systems to be functioning as a redundant PBX. During the review, we submitted replies to correspondence received from USAC, clearly stating that we did not agree to such determination, including information supporting our position. All relevant correspondence is attached to this appeal. We did not receive any notice in reply to said statement, nor any explanation to sustain USAC's determination. The Notification of Commitment Adjustment Letter simply restated that which the original correspondence claimed, with no additional information supporting that claim, nor an answer to the information we supplied.

Concisely, the points of appeal are as follows:

1. We designed the system to best fit the needs of the applicant, utilizing each system for its strengths, creating a hybrid approach at a price point near that of a single system performing the same tasks. Neither system is in standby, both are active and online, and each is an essential element in the transmission of information - disparate in the needs they fill. The reason we chose to keep the systems separate, as well as the reasons we could keep it cost effective are explained in further detail in the attached documentation.
2. As service providers, we have acted in good faith to our client and to the fund, and the services we have provided, many of which underwent PIA review, were determined eligible. We find it hard to continue to provide services, knowing that arbitrary decisions at a later date can revert funding commitments, leaving us financially responsible for products and services we have already provided to our clients.

Initial Correspondence re item #1

The following is the information you requested with regard to the design of the communication system installed in the applicant's facility. A great deal of thought was incorporated into the design, affected by many factors, to best suit the needs of the students, teachers, and office faculty. It was discussed extensively with the administrative staff of the school, and designed to be the most cost-effective solution to their needs.

The main focus of the inquiry was to explain the necessity for a "redundant PBX", or to describe the functional purpose of the Asterisk Based PBX designed to be installed alongside the Bogen Multicom Quantum. We have chosen to offer our clients Asterisk based PBX systems as a general purpose PBX, specifically since the core architecture is designed to allow us to better match the needs of a school environment. However, the Bogen Quantum Multicom IP PBX was the best choice for student communication needs. Designed with classroom use as its prime focus, the Bogen system is naturally suitable for the use of the students. The Quantum design; however, pales in comparison with our school oriented PBX in every other aspect of communication. This list is a far cry from exhaustive, but features such as: voicemail, PIN locked dialing, wireless compatibility, PRI or VOIP trunks, or absolute lack thereof, suggest using an alternative to the Bogen PBX.

It was decided; therefore, that we would design a hybrid approach, utilizing the Bogen Quantum for the areas it excels, and another PBX for the remainder. We were confident that we could do so without increasing the price, and expected our final quotes to remain reasonable and competitive. This is due largely to the fact that facilitating such a quantity of analog ports to a largely IP based PBX for the students' use would cost about the same as the Quantum system. Additionally, we felt that the slightly added complexity was outweighed by the benefit of having the best form of communication available for the classrooms, the areas most proximate to the students for the bulk of the day. We have learned that redundant systems generally remain idle, as users have no need for them or desire to learn another system. Our studies of the usage patterns after the installation revealed that both systems were being used extensively, suggesting that clients were comfortable with our decision.

We understand that ultimately price is the largest factor in a decision, as even after funding, our clients, who are generally working not-for-profit, can ill afford to pay the premium for the technology they require. To that end, as we designed the system to be split across the two PBXs, we carefully engineered it to remain as cost-effective, and to avoid any redundant expenditure. As we designed it, neither system is "in standby mode", neither is "not active and online", and both are "an essential element in the transmission of information". "Redundant" is generally defined as exceeding what is necessary or normal. Since neither serves the same function, we definitely don't consider our design to exceed what is necessary, thus we do not agree with our design being classified as "redundant". Different than normal, perhaps, but not exceeding what is normal. We feel that we acted in good faith, both to the applicant, and to the Fund, providing what we considered to be the best design, for a reasonable price, utilizing eligible products, and within the framework of the eligibility requirements.